

**GOVERNMENT OF TELANGANA
ABSTRACT**

Agricultural Marketing Department – Procurement of Paddy under Minimum Support Price (MSP) operations by the Telangana State Cooperative Marketing Federation (T.S.MARKFED) on behalf of Telangana State Civil Supplies Corporation Limited (TSCSCL) during KMS 2018-19 – Government guarantee for Rs.2,000.00 Crores (Rupees Two thousand Crores) to obtain credit facility from N.C.D.C., New Delhi and permit to transfer of sanctioned loan amount of Rs.2,000 Crores to the account of Managing Director, TSCSCL, under inter corporate loan account – Orders – Issued.

AGRICULTURE AND CO-OPERATION (MKTG.II) DEPARTMENT

G.O.Ms.No. 105

**Dated: 19-12-2018,
Read the following:-**

1. G.O.Ms.No.24, C.A., Food and Civil Supplies (C.S.I-CRP) Department, Dt.30.11.2018.
2. G.O.Rt.No.446, Finance (DMC) Department, Dt. 20.3.2003.
3. From the MD, TSMARKFED, Hyderabad
Rc.No.TSMARKFED/WCAL/NCDC/2018-19, Dt.30.11.2018.
4. From the Commissioner of Civil Supplies & Ex.Officio Secretary to Government, Lr.No.P1(1)/789/2017, Dt. 14.12.2018.

ORDER:-

In the Letter 3rd read above, the Managing Director, TSMARKFED has submitted that the T.S.MARKFED has nominated as Additional Procurement Agency to procure 20 Lakhs M.Ts. of Paddy under Price Support Scheme/MSP during KMS 2018-19 along with TSCSCL in Telangana. It is estimated for procurement of 20 lakhs M.Ts. of Paddy, the working capital requirement would be about Rs.3,620 crores (basic price Rs.17,700/- per M.T of paddy + incidental charges Rs.400.00 for M.T.). He has stated that to take up the procurement operations, there is urgent requirement of atleast Rs.2,000 Crores initially as working Capital and intended to avail the working capital of Rs.2,000.00 Crores through N.C.D.C., New Delhi with State Government Guarantee. He has also requested to provide Government Guarantee for taking loan of Rs.2,000.00 crores from NCDC, New Delhi for procurement of Paddy towards payments to farmers and incidental expenditure and the loan amount will be repaid along with interest on delivery of Raw/Boiled Rice to FCI in a period of one year.

2. In the Letter 4th read above, the Commissioner of Civil Supplies and Ex-Officia Secretary to Government has requested the Government to direct the TSMARKFED to transfer the Rs.2000.00 Crores to TSCSCL account under inter corporate loan to enable the TSCSCL inter corporate loan arrange timely payment to paddy farmers. He has further requested to issue orders to charge only 0.125% as service charges on the loan of Rs.2000.00 crores i.e., limiting to total service charges to Rs.2.5 crores to the TSMARKFED and also requested to waive the gurantee commission for the loan amount in the interest of farmers.

3. Government after careful examination of the matter, hereby accord permission to obtain the credit facility of Rs.2,000.00 crores (Rupees Two Thousand Crores only) by the Telangana State MARKFED from N.C.D.C., New Delhi for procurement of 20 Lakhs MTs of Paddy during KMS 2018-19 under MSP subject to payment of 2% Guarantee Commission as per the G.O. 2nd read above and credit the same into Government Head of Account mentioned therein and also permit the Managing Director, TS MARKFED to transfer the loan amount of Rs.2,000 Cores (Rupees Two thousand Cores only) which is obtained from the N.C.D.C, New Delhi to the account of Managing Director, TSCSCL, Hyderabad under inter corporate loan account towards payments made to the farmers of Paddy by the TSCSCL duly permitting the Managing Director, TSMARKFED to charge @0.125% charges for the services provided by the TS MARKFED duly limiting the total service charges Rs.2.50 Crores subject to condition that all the other charges / fees / duties / taxes if any along with interest to be paid on the above loan transaction shall be borne by the Managing Director, TSCSCL only.

(P.T.O)

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4. The Managing Director, T.S. MARKFED shall follow the procurement guidelines issued by the Government and TSCSCL from time to time and terms and conditions of the credit providers. Government of Telangana also stand guarantee in respect of Credit Facility for Rs.2,000.00 Crores to be obtained by TS MARKFED from the National Cooperative Development Corporation (N.C.D.C.), New Delhi for procurement of 20 Lakhs MTs of Paddy during KMS 2018-19 under MSP.

5. The Managing Director, TSMARKFED shall take further action accordingly.

6. This order issued with the concurrence of Finance Deptt. vide their U.O.No.10241/172/A1/DCM/2018, Dt.13-12-2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

**C.PARTHA SARATHI,
APC & PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Managing Director, TS MARKFED, Hyderabad.

The Commissioner of Civil Supplies, Telangana, Hyderabad.

The Vice Chairman & Managing Director Telangana State Civil Supplies Corporation Limited.

The Director of Agricultural Marketing, Telangana State, Hyderabad.

Copy to:

The P.S. to Principal Secretary to C.M.

The P.S. to APC & Principal Secretary to Government.

The Finance (DCM) Department.

SF/SCs.

// FORWARDED :: BY ORDER //

SECTION OFFICER